

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION**

<b>FUNCTION MEDIA, L.L.C.</b>	§	
Plaintiff,	§	<b>Civil Action No. 2007-CV-279</b>
vs.	§	
<b>GOOGLE, INC. AND YAHOO, INC.</b>	§	
Defendants.	§	<b>JURY TRIAL DEMANDED</b>

**PLAINTIFF'S RESPONSE TO GOOGLE'S MOTION IN LIMINE  
NO. FIVE: MOTION TO ADMIT EVIDENCE REGARDING  
THE REEXAMINATION OF THE PATENTS-IN-SUIT**

Nearly every month in this District patent cases go to trial in which the patents-in-suit are involved in reexamination proceedings, and every month courts in this District exclude mention of those reexaminations from trial. Google proposes to rewrite those standards and force the introduction of reexaminations in this case, although it has literally no authority to support such a maneuver.

Nor is there anything unique about the facts of this case that would justify a departure from the normal practice of excluding evidence of reexaminations. It is true that the claims of the patents-in-suit currently stand rejected in non-final office actions by the PTO. But this is no different than from any of the other cases this Court faces involving reexaminations. Indeed, as of the time of this Response, the probative value of the reexaminations is even less than usual, given that the PTO issued its initial rejections before FM had a chance to comment on Google's reexamination requests. Since the time that FM has filed its response, the PTO has been silent.

This Court should therefore deny Google's motion to admit evidence of the reexaminations. Google may be trying to generate a point on appeal (although, as discussed

below, the Federal Circuit in August endorsed this District's approach of excluding reexamination evidence), but its motion before this Court has no merit.

## ARGUMENT

### I. Google May Not Rebut/Preclude the Presumption of Validity

It is the universal standard in this District not to permit introduction of evidence about non-final, pending reexaminations. As Judge Davis recently explained:

Finally, Microsoft moves for a new trial on ground that the Court erroneously excluded evidence regarding the PTO's ex parte reexamination of the '449 patent. At the time of trial, the PTO had granted re-examination, necessarily finding that there was a "substantial new question of patentability" regarding the '449 patent. *See* 35 U.S.C. § 312(a)(1). Microsoft's arguments are meritless. The simple fact that a reexamination decision has been made by the PTO is not evidence probative of any element regarding any claim of invalidity. *Procter & Gamble Co.*, 549 F.3d at 848 ("As this court has observed, a requestor's burden to show that a reexamination order should issue from the PTO is unrelated to a defendant's burden to prove invalidity by clear and convincing evidence at trial."). Even if it was, its probative value is substantially outweighed by its prejudicial effect in suggesting to the jury that it is entitled to ignore both the presumption of validity and the defendant's clear and convincing burden at trial. *See* FED.R.EVID. 403. Microsoft's argument is overruled.

*i4i Ltd. Partnership v. Microsoft Corp.*, 2009 WL 2449024, \*17 (E.D. Tex. Aug. 11, 2009). And the Federal Circuit agrees that it is proper for district courts to exclude evidence of non-final reexaminations:

The non-final re-examination determinations were of little relevance to the jury's independent deliberations on the factual issues underlying the question of obviousness. In contrast, the risk of jury confusion if evidence of the non-final PTO proceedings were introduced was high. The district court did not abuse its discretion in concluding that the prejudicial nature of evidence concerning the ongoing parallel re-examination proceeding outweighed whatever marginal probative or corrective value it might have had in this case.

*Callaway Golf Co. v. Acushnet Co.*, 576 F.3d 1331, 1343 (Fed. Cir. 2009).

Google argues, however, that it ought to be able to introduce evidence of the reexaminations to rebut the presumption of validity. *See* Google Mtn., at 3-4. Google's position is short on case law, however -- it cites not a single example of a court's ever having admitted

evidence of ongoing reexaminations. Indeed, Judge Davis in *i4i* prohibited mention of pending reexamination proceedings precisely because they would contradict the patentholder's presumption of validity. *i4i*, 2009 WL 2449024, \*17.

Google responds that if it cannot mention the reexaminations, then FM should not be able to invoke the presumption of validity. And it claims that the Federal Circuit in *Callaway Golf* "implicitly endorsed" this approach. Google Mtn., at 4. But *Callaway Golf* said no such thing. As indicated above, the *Callaway Golf* court actually endorsed a district court's exclusion of reexamination evidence. 576 F.3d at 1343. Nowhere did the Federal Circuit in *Callaway Golf* say that its exclusion meant that the patents were not entitled to a presumption of validity.<sup>1</sup> It is true that *Callaway Golf* noted some concern in the plaintiff's opening statement argument that "three patent examiners" had looked at the plaintiff's patents and confirmed their validity. *Id.* at 1342-43. But the court did not use this argument as a basis for overturning the presumption of validity. In any event, FM has not opened the door to any reexamination evidence by so arguing to this jury, nor has Google sought a more narrow *limine* preclusion for such an argument.

## **II. The Reexaminations Are Not Relevant to Pre-Reexamination Willfulness**

Google next argues that it ought to be allowed to introduce evidence of the reexaminations to rebut FM's willfulness arguments. However, as set forth in FM's responses to Google's willfulness motions, in light of the *Markman* ruling FM will not assert that Google willfully infringed the remaining two patents-in-suit. Accordingly, Google does not need to introduce evidence of the reexaminations to rebut FM's willfulness claims.

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<sup>1</sup> To the contrary, the Federal Circuit quoted, without criticism, the district court's instruction to the jury that invalidity needed to be proven by "clear and convincing" evidence -- a necessary corollary to the presumption of validity. *Callaway Golf*, 576 F.3d at 1337 n.4.

### **III. Google’s “Impeachment” Usage of the Reexaminations is Improper**

Finally, Google suggests, in three sentences at the tail end of its motion, that it should be permitted to introduce evidence of the reexaminations to impeach allegedly “contradictory statements or testimony at trial.” This supposed exception to exclusion is so broad and ill-defined, however, that Google will be able to fit nearly any usage of the reexaminations within it. Giving Google *carte blanche* to employ the reexaminations in this manner will inevitably lead to aggressive and repeated citation to the reexaminations, under the guise of “impeachment.”

To justify this exception, Google musters two examples of supposed FM testimony that it would need to impeach with the reexaminations: “Plaintiff may seek to contradict its earlier characterizations of the patented invention, or its attempts to distinguish the invention from the prior art.” Google Mtn., at 6. Neither of these justifies usage of the reexaminations. As to the former, the metes and bounds of the FM inventions have been determined by this Court’s *Markman* order. For Google to use the reexaminations to explore FM’s “characterization of the patented invention” will result in Google’s improperly re-arguing *Markman* before the jury. *See* FM Motion *in Limine* No. 3. Nor should Google be able to use the reexaminations to impeach FM’s “attempts to distinguish the invention from the prior art.” The reexaminations expressly employ a different claim construction standard than does this Court. *In re Yamamoto*, 740 F.2d 1569, 1571 (Fed. Cir. 1984). Accordingly, it is both confusing and misleading to contrast FM’s handling of the prior art before the PTO – under a different standard of reading that art against the claims – with its handling of the prior art before this Court.

In any event, Google proposes no limitations on its usage of the reexaminations for purposes of impeachment. After all, if the purpose of using the reexaminations in this manner were simply to contradict FM’s testimony at trial, Google could confront FM’s witnesses with

“statements FM made to the PTO” – without mentioning that those statements came from a reexamination in which the PTO initially rejected FM’s patent claims (in a preliminary and non-final office action, before FM had a chance to respond). That Google proposes no limits on its proposed impeachment use of the reexaminations demonstrates that it wishes to use impeachment simply as a hook to talk to the jury about the reexamination process.

#### **IV. Conclusion**

This Court should deny Google’s Motion *in Limine* No. 5 and preclude Google from introducing evidence of the reexaminations. FM has filed a parallel Motion *in Limine* (FM No. 33) seeking to exclude reexamination evidence, and, for the reasons stated above, FM likewise asks this Court to grant that motion.

Respectfully submitted,

/s/ Joseph S. Grinstein  
Max L. Tribble, Jr.  
State Bar No. 20213950  
Email: mtribble@susmangodfrey.com  
SUSMAN GODFREY LLP  
1000 Louisiana, Suite 5100  
Houston, Texas, 77002  
Telephone: (713) 651-9366  
Facsimile: (713) 654-6666

Lead Attorney for Plaintiff

OF COUNSEL:  
Joseph S. Grinstein  
State Bar No. 24002188  
Aimée Robert  
State Bar No. 24046729  
SUSMAN GODFREY L.L.P.  
1000 Louisiana Street, Suite 5100  
Houston, Texas 77002-5096  
Telephone: (713) 651-9366

Fax: (713) 654-6666  
[jgrinstein@susmangodfrey.com](mailto:jgrinstein@susmangodfrey.com)  
[arobert@susmangodfrey.com](mailto:arobert@susmangodfrey.com)

Jeremy Brandon  
State Bar No. 24040563  
SUSMAN GODFREY L.L.P.  
Suite 5100  
901 Main Street  
Dallas, Texas 75202-3775  
Telephone: (214) 754-1900  
Fax: (214) 754-1933  
[jbrandon@susmangodfrey.com](mailto:jbrandon@susmangodfrey.com)

Justin A. Nelson  
State Bar No. 24034766  
SUSMAN GODFREY L.L.P.  
Suite 3800  
1201 Third Avenue  
Seattle, Washington 98101-3000  
Telephone: (206) 516-3880  
Fax: (206) 516-3883  
[jnelson@susmangodfrey.com](mailto:jnelson@susmangodfrey.com)

Robert Christopher Bunt  
State Bar No. 00787165  
Charles Ainsworth  
PARKER, BUNT & AINSWORTH, P.C.  
100 East Ferguson, Suite 1114  
Tyler, TX 75702  
Telephone: (903) 531-3535  
Fax: (903) 533-9687  
[rcbunt@pbatyler.com](mailto:rcbunt@pbatyler.com)  
[charley@pbatyler.com](mailto:charley@pbatyler.com)

S. Calvin Capshaw  
State Bar No. 037839000  
Elizabeth L. DeRieux  
State Bar No. 05770585  
D. Jeffrey Rambin  
CAPSHAW DERIEUX, LLP  
Energy Centre  
1127 Judson Road, Suite 220  
P.O. Box 3999 (75606-3999)

Longview, TX 75601-5157  
Telephone: (903) 236-9800  
Fax: (903) 236-8787  
[ccapshaw@capshawlaw.com](mailto:ccapshaw@capshawlaw.com)  
[ederieux@capshawlaw.com](mailto:ederieux@capshawlaw.com)  
[jrambin@capshawlaw.com](mailto:jrambin@capshawlaw.com)

Otis Carroll  
State Bar No. 03895700  
Collin Maloney  
State Bar No. 00794219  
IRELAND, CARROLL & KELLEY, P.C.  
6101 S. Broadway, Suite 500  
Tyler, Texas 75703  
Telephone: (903) 561-1600  
Fax: (903) 581-1071  
[otiscarroll@icklaw.com](mailto:otiscarroll@icklaw.com)  
[cmaloney@icklaw.com](mailto:cmaloney@icklaw.com)

**CERTIFICATE OF SERVICE**

I hereby certify that on November 3, 2009, I electronically filed the foregoing document with the clerk of the court for the U.S. District Court, Eastern District of Texas, using the electronic filing system of the court. The electronic case filing system sent a "Notice of Electronic Filing" to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means:

/s/ Joseph S. Grinstein  
Joseph S. Grinstein